



INVEST IN AMERICA

Foreign Direct Investment Fact Sheet

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Promotes Employment with High Wages:¹

- U.S. subsidiaries of foreign firms employ 5.1 million American workers, support an annual payroll of \$324.5 billion, and pay on average 30 percent higher wages than the national average.
- These U.S. subsidiaries invest heavily in American manufacturing, with 31 percent of these jobs in this sector.
- Between 2002-2006, nearly 2,900 new projects were announced or opened in the U.S. by foreign companies, yielding \$82 billion in investment and approximately 170,000 new American jobs.

Strong Economic Benefits to the U.S. Economy:

- U.S. subsidiaries of foreign firms account for 19 percent of total U.S. exports of goods (\$153.9 billion), and in 2006 reinvested \$80.3 billion of their profits back into the U.S. economy.
- U.S. subsidiaries also spent \$29.9 billion on research and development activities in the United States.

Who Invests in the United States:²

- Companies based in OECD countries account for 94 percent of cumulative foreign direct investment in the U.S.
- Europe accounted for 68 percent of capital flows of foreign direct investment in the United States in 2006.
- The top 5 countries, ranked by cumulative direct investment in the United States were: United Kingdom - \$282.5 billion; Japan - \$190.3 billion; Germany - \$184.2 billion; The Netherlands - \$170.8 billion; Canada - \$144.0 billion.

Total Foreign Direct Investment:³

- The cumulative value of foreign direct investment at the end of 2005 was \$1.874 trillion equivalent to 15 percent of U.S. GDP.
- In 2006, direct investment capital inflows totaled \$183.6 billion. 2005 direct investment capital inflows totaled \$109.8 billion; 2004 capital inflows totaled \$133.2 billion.

Recent Examples of Investing in America:

- On February 27, Japanese automaker Toyota Motor Corp. announced that it would build a new manufacturing facility near Tupelo, MS. This \$1.3 billion facility is expected to employ 2,000 initially. In 2005, Toyota employed 38,340 in North America.⁴
- On January 22, AstraZeneca announced it would invest \$100 million into its U.S. research and development team based in Waltham, MA. This will bring total research employment at this site to 500, with a focus on anti-infection and cancer treatments.⁵

Promoting America as the Investment Destination of Choice:

- The Invest in America initiative supports President Bush's statement on open investment that reaffirms the unequivocal and long-standing commitment by the United States to promote open investment policies.
- Invest in America will help coordinate U.S. Government agencies to promote the desirability of investment in the U.S. as a whole and leverage Commerce's global network to educate international investors on advantages inherent with investing in the United States.
- Invest in America efforts are focused on outreach to foreign governments, investors, and U.S. states; and addressing business climate concerns by serving as ombudsman in Washington for the international investment community.

¹ Unless otherwise noted, source: BEA data with analysis from the Organization for International Investment (www.ofii.org)

² Source: BEA (figures at historical cost)

³ Source: BEA (figures at current cost)

⁴ Source: The Clarion-Ledger Newspaper (www.clarionledger.com)

⁵ Source: The Financial Times (<http://www.ft.com/cms/s/97f13a30-a9bc-11db-9185-0000779e2340.html>)